

DOCKET SECTION  
BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

REVISED RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS PLUNKETT  
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 6, QUESTION 6  
(December 8, 1997)

The United States Postal Service hereby provides the revised response of witness Plunkett to Presiding Officer's Information Request No. 6, question 6, concerning merchandise return service volumes. The original response was filed on November 28, 1997.


The question is restated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
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December 8, 1997

REVISED RESPONSE OF POSTAL SERVICE WITNESS PLUNKETT TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 6

6. In USPS-LR-H-207 "Diskette of Witness Plunkett's (USPS-T-40) Testimony and Workpapers," WP-6 "Merchandise Return Permits," witness Plunkett forecasts the sale of 1,307 permits for the test year, but does not present any Merchandise Return transactions. Please provide the Merchandise Return transactions and the revenue generated by these transactions for the test year.

6. Response:

In the original response to this question, it was averred that Postal Service volume and revenue measurement systems do not capture Merchandise Return transaction data, or corresponding revenues. Subsequent to providing this response I discovered that transaction data have been captured by the RPW system, beginning in the fourth quarter of FY 94. The attached worksheet shows FY 96 Merchandise Return volumes and revenues, and projects test year before and after rates volumes based on the forecast growth in the mail classes with which Merchandise Return is available. It should be noted that these test year revenues have already been included in the Postal Service's test year revenues along with revenue from other sources (Ex. USPS-30A and B).

SPECIAL SERVICES  
MERCHANDISE RETURN

TRANSACTIONS				REVENUES			
MAIL CLASS TYPE	FY 1996	TEST YEAR BEFORE RATES	TEST YEAR AFTER RATES	BEFORE RATES VOLUME	AFTER RATES VOLUME	PERCENT CHANGE 1/	PERCENT CHANGE 2/
FIRST CLASS	(1) 163,672	(2) 169,302	(3) 168,435	(6) 50,791	(7) 50,530	(8) 0.0%	(9) -0.5%
PRIORITY	207,769	249,108	255,459	74,732	76,638	0.0%	2.5%
STANDARD (A)	326,258	365,025	361,529	109,508	108,459	0.0%	-1.0%
STANDARD (B)	3,154,138	3,580,511	3,477,681	1,074,153	1,043,304	0.0%	-2.9%
TOTAL	3,851,836	4,363,946	4,263,104	1,309,184	1,278,931		-2.3%

1/ Denotes the percentage change from the current fee to the proposed fee, or (Column 5 - Column 4)/(Column 4.  
2/ Denotes the percentage change from the revenue of the before rates volume at the current fee  
to the revenue of the after rates volume at the proposed fee, or (Column 7 - Column 6)/(Column 6.

## DECLARATION

I, Michael K. Plunkett, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

  
MICHAEL K. PLUNKETT

Dated: DECEMBER 8, 1997

### CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

David H. Rubin  
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